



3 August 2010

Our Ref: GOV16

## **RELEASE OF COSTING OF ELECTION COMMITMENT**

The Secretary to the Department of Finance and Deregulation today released the following election commitment costing under the *Charter of Budget Honesty Act 1998*:

**Climate Change Commission** as announced by the Government.

This costing was completed consistent with the *Charter of Budget Honesty: Costing Election Commitments* guidelines which are available on [www.electioncostings.gov.au](http://www.electioncostings.gov.au).  
A copy of the completed costing is attached.

A handwritten signature in black ink, appearing to read 'D. Tune'.

David Tune  
Secretary  
Department of Finance and Deregulation

Contact: Clive Hawkins  
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# PUBLIC RELEASE OF 2010 ELECTION COMMITMENT COSTING

**Summary of costing:** The Australian Labor Party would establish a Climate Change Commission to inform the climate change debate. The cost of this commitment would be met from the Renewable Energy Future Fund.

**Person making the request:** Prime Minister

**Date of request:** 28 July 2010

**Name of policy to be costed:** Climate Change Commission

**Date of public release of policy:** 23 July 2010

**Costing request provided by the Prime Minister/Leader of the Opposition:** Prime Minister

**Additional information requested (including date):** Not applicable.

**Additional information received (including date):** Not applicable.

## Financial implications (outturn prices)<sup>(a)</sup>

Impact on	2010-11	2011-12	2012-13	2013-14
Underlying Cash Balance (\$m)	0.0	0.0	0.0	0.0
Fiscal Balance (\$m)	0.0	0.0	0.0	0.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.

**Where relevant, state that the proposal has been costed as a defined or specified amount.**

The proposal has been costed as a capped amount in line with the election costing request of 28 July 2010.

**Where relevant, include separate identification of revenue and expense components.**

Not applicable.

**Where appropriate, include a range for the costing or sensitivity analysis.**

Not applicable.

**Qualifications to the costing (including reasons for the costing not being comprehensive).**

Not applicable.

**Where relevant, explain effects of departmental expenses.**

The costing request of 28 July 2010 specifies that any other departmental costs for the program will be absorbed by the relevant agency.

**Where relevant, explain the reason for any significant differences between the assumptions specified in a party costing request and those used in a Treasury or Finance costing.**

Not applicable.

**Other comments (including reasons for significant differences between the estimated impact on the fiscal and underlying cash balances).**

Not applicable.

## **Background information**

### **Costing methodology used:**

The costing request specifies that this policy would be funded from the Renewable Energy Future Fund announced in the 2010-11 Budget and would therefore have no impact on the underlying cash balance or fiscal balance over the forward estimates. These funds are available and uncommitted.

The total cost of the proposal is \$6.0 million over four years (\$1.2 million in 2010-11 and \$1.6 million per annum from 2011-12 to 2013-14). This is considered a reasonable estimate to fund five full time commissioners over four years.

The costing request assumes five commissioners will receive an average remuneration package of \$300,000 per annum. A travel allowance of \$15,000 (5 per cent) has been included for each commissioner. The 2010-11 costs assume an October start date and parameters have been applied to forward year costs.

### **Behavioural assumptions used (as appropriate).**

Not applicable.